

Message Text

CONFIDENTIAL

PAGE 01 BANGKO 04495 271157Z

73

ACTION PM-04

INFO OCT-01 EA-07 ISO-00 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 L-03 EB-07 MC-02 AID-05 IGA-02 TRSE-00 OMB-01

/061 W

----- 036027

R 271117Z FEB 76

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 9245

SECDEF WASHDC

INFO RUHQHQA /CINCPAC HONOLULU

COMUSMACTHAI BANGKOK

C O N F I D E N T I A L BANGKOK 4495

E.O. 11652: GDS

TAGS: MASS, TH

SUBJ: USE OF FMS CREDITS FOR PURCHASE OF SPARE PARTS: FYI1975

CREDITS

REF: (A) STATE 041416 (DTG 202111Z FEB 76)

(B) STATE 043340 (DTG 232327Z FEB 76)

1. 1. WE APPRECIATE THE EXCEPTION TO POLICY THAT HAS BEEN GRANTED TO THAILAND FOR THE USE OF FY75 FMS CREDITS FOR PURCHASE OF BADLEY-NEEDED SPARE PARTS (REFA).

2. A DETAILED LIST OF THE ITEMS TO BE SUPPORTED, AS REQUESTED IN REF B, WILL BE TANSMITTED UPON RECEIPT FROM THE RTAFR. THE FOLLOWING ARE IN RESPONSE TO YOUR ADDITIONAL QUESTIONS POSED IN PARA 2 OF REF B:

A. IT IS, OF COURSE, POSSIBLE FOR THE RTG TO DRAW ON ITS FOREIGN EXCHANGE RESERVES TO PURCHASE SPAE PARTS, AND THIS MAY BE DONE IN THE FUTURE. HOWEVER, THERE IS AN IMMEDIATE NEED FOR SPARES THAT CAN BE MORE QUICKLY ANSWERED BY USE OF ALLOCATED FMS CREDITS THAN THE RTG BUDGETARY PROCESS. THE REQUEST FOR EXCEPTION TO POLICY WAS NOT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 04495 271157Z

INTENDED TO BE OPEN-ENDED, BUT ONLY A STOP-GAP MEASURE

TO FILL THIS NEED.

B. KHUKRIT, CHATCHAI AND OTHERS HAVE AT TIMES EXPRESSED GENERAL COMPLAINTS TO THE EFFECT THAT U.S. MILITARY ASSISTANCE HAS NOT CREATED ANY INDEPENDENT DEFENSE CAPABILITY IN THAILAND. THIS GENERALIZED CONCERN HAS BEEN MORE SPECIFICALLY DIRECTED AT THE CREATION OF DEFENSE PRODUCTION FACILITIES THAN AT THE MODALITIES OF PROCUREMENT, ALTHOUGH A CONNECTION COULD BE MADE. IN THE CASE OF THE \$8 MILLION CREDITE, HOWEVER, WE WOULD NOT EXPECT IT TO EXACERBATE THESE FEELINGS SIGNIFICANTLY. THE DECISION TO SPEND THE MONEY ON SPARES IS A DECISION OF THE THAI MILITARY, AND WE DO NOT EXPECT KHUKRIT, CHATCHAI AND OTHERS TO TANGLE WITH THEM ON WHAT IS ESSENTIALLY ONLY A SMALL PEIECE OF A MUCH LARGER MATTER.

C. THE USE OF CREDITS FOR PURCHASE OF SPARES HAS NOT RECEIVED FULL RTG OR MINISTRY OF FINANCE APPROVAL. HOWEVER, ACCEPTANCE OF THE CREDIT DID RECEIVE FULL RTG, INCLUDING MINISTRY OF FINANCE APPROVAL. WE DOUBT ANY ADDITIONAL AUTHORIZATION IS REQUIRED FROM OUTSIDE MOD ON HOW THESE CREDITS ARE USED.

D. THE LOAN AGREEMENT FOR THE FY75 CREDITS STIPULATES A 5-YEAR, INSTEAD OF THE MAXIMUM 10-YEAR, REPAYMENT SCHEDULE, WHICH COINCIDES WITH OR IS SHORTER THAN THE NORMAL LIFE EXPECTANCY OF SPARES.
WHITEHOUSE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, CREDIT, SPARE PARTS, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: vogelfj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BANGKO04495
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760075-0163
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976027/aaaaafhz.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 41416
Review Action: RELEASED, APPROVED
Review Authority: vogelfj
Review Comment: n/a
Review Content Flags:
Review Date: 29 JAN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JAN 2004 by morefirh>; APPROVED <01 OCT 2004 by vogelfj>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: USE OF FMS CREDITS FOR PURCHASE OF SPARE PARTS: FY1975 CREDITS
TAGS: MASS, TH, US
To: STATE DOD
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006